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ABSTRACT

This monograph, directed to trustees and board members of independent colleges and universities, is intended to offer basic information about board and trustee responsibility; to highlight the principles of board and trustee membership; to help members keep themselves, the board, and their institution out of trouble; and to provide information on resources and assistance available to board members. The text addresses issues such as: the reasons for having voluntary governing boards; the responsibilities of the governing board; responsibilities of the individual trustee; what makes an academy distinctive; how to distinguish between setting policy and managing; what a board typically expects of the chief executive; what the chief executive typically expects of the board members; how a board goes about accompanying its work; and student and faculty trusteeship. Appendixes provide sample statements of board members' responsibilities; a list of suggested resources; a description of the Association of Governing Boards (AGB), and descriptions of programs and services offered by the AGB. (CH)

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A GUIDE FOR

BOARD MEMBERS

OF INDEPENDENT

COLLEGES

AND UNIVERSITIES

Effective Trusteeship

Richard T. Ingram

HE030 598

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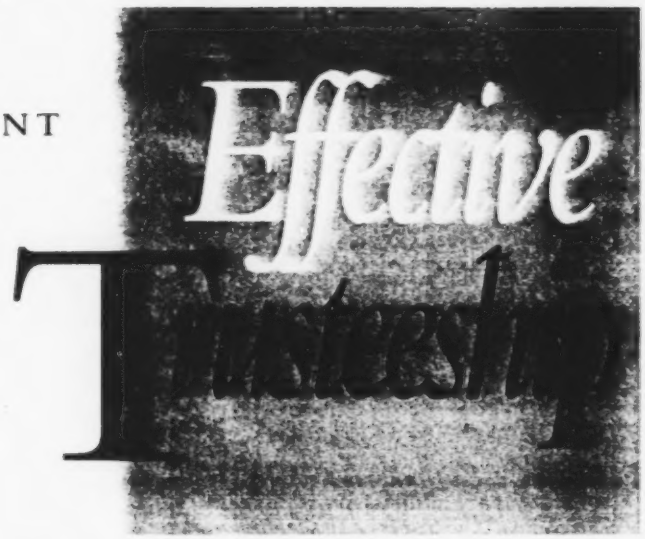

AND UNIVERSITIES

Richard T. Ingram

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Dedication

This guide is dedicated to the memory of J.L. Zwingle (1906-90), president emeritus of the Association of Governing Boards of Universities and Colleges (AGB), who served as its first staff chief executive from 1963-73.

Founded in 1921 by the members of governing boards of state universities and land grant colleges, AGB did not have a full-time staff until J.L. Zwingle was invited in 1963 to establish an office in Washington, D.C., and to lead the organization for what was to be ten years. His exceptional leadership helped to ensure that the institution of voluntary trusteeship would continue to be cultivated as a unique feature of American public and independent higher education.

Throughout the text we have sprinkled quotations from J.L. Zwingle's original Effective Trusteeship. *His wise counsel continues to weather very well, as you will see. Much has changed over recent decades, but much remains the same.*

Foreword

As one privileged to have known and worked with J.L. Zwingle during the association's formative years, I remember when his successor, Robert L. Gale, asked him to write a primer that AGB could provide to new members and to those who were newcomers to its member boards. Still in his first year of retirement, Dr. Zwingle was pleased to be asked and accepted without hesitation. He got to work immediately and within a few months produced a wonderful introduction to academic trusteeship. *Effective Trusteeship* subsequently went through one major revision and eight printings. For several thousands of higher education trustees across the nation, this was their first reading on the subject of their volunteer calling.

> *"The trustee has only one basic obligation: to exercise judgment on issues of policy without undue regard for pressures or opinions to the contrary; the trustee must then do whatever possible as a member of the corporation to see that decisions are in fact carried out."*
>
> **J.L.Z.**

Now it is time for another revision.

On behalf of your colleagues at AGB, this primer welcomes you to the sometimes perplexing, often ambiguous, and always stimulating world of academic trusteeship. Whether you are a veteran board member or a relatively new trustee, we hope you will find this guide helpful.

This guide has several purposes:

- to offer you basic information about important aspects of board and trustee responsibility to help make your trusteeship more effective, more rewarding, and more enjoyable;
- to highlight some principles that will help you understand the nature of the academy and how

academic trusteeship differs from corporate and other directorships;

- to encourage you to do your part to help keep the board's house in order and keep it, yourself, and your institution out of trouble as you fulfill your public trust; and
- to contribute to your knowledge about AGB's resources should you or your board require special assistance or information along the way.

I gratefully acknowledge helpful critiques provided by William M. Chace, president of Emory University; Wendell P. Holmes, Jr., chair of the board of trustees of Hampton University; Richard Kneedler, president of Franklin and Marshall College; Malte von Matthiessen, trustee of Antioch University and a member of the AGB Board of Directors; Susan Resneck Pierce, president of the University of Puget Sound; and Gwendolyn Weaver, chair of the board of trustees of Earlham College.

Not every reader will agree with everything written here; this booklet reflects my personal experience and viewpoint and is my sole responsibility. It is intended to stimulate thought and discussion among those who ultimately are responsible for steering the best possible course for trusteeship and independent higher education.

Were he with us today, J.L. Zwingle would be the first to cheer you on as a full and active partner with your colleague trustees and chief executive and to wish you an experience filled with accomplishment and satisfaction.

Richard T. Ingram
President, AGB

BOARD MEMBERS

OF INDEPENDENT

Effective Trustees

COLLEGES

AND UNIVERSITIES

Richard T. Ingram

Within the uniquely American traditions of volunteerism and philanthropy, serving as a college or university trustee surely is the crown jewel of public service. As a member of a board in independent higher education, you have the distinction of being only one in every 6,000 citizens who has the privilege of serving in this volunteer capacity. Of the 50,000 college and university trustees in the nation, some 40,000 serve private higher education and its nearly three million students.

Along with the respect appropriately afforded every trustee come special obligations, responsibilities, and high expectations from many sources. How trustees can cope with these expectations and the ambiguities inherent in academic trusteeship is what this guide is about.

We gain from our endeavors only what we are willing to put into them, and trusteeship is no exception. The demands on the time and energy of truly conscientious trustees have increased substantially. The same is true for presidents and chancellors. Deciding many of the issues

currently being discussed in boardrooms today requires extraordinary courage on the part of governing boards, their individual members, and their chief executives.

Why voluntary governing boards in the first place?

Those who formed this nation fervently believed that, although the individual states would have primary responsibility *to provide for* education at all levels, they should not directly *control* education lest it become the instrument of political influence and propaganda. Furthermore, our forebears believed strongly in the principle of "checks and balances" in relationships among groups, political parties, and especially within government. As a consequence, our society recognizes that colleges and universities really belong to—are "owned" by—the people, not by government. In contrast, higher education systems in Europe and most other industrialized nations of the world are controlled by ministries of education.

America's independent colleges and universities are governed by surrogates of the general public—men and women who are responsible for acting on behalf of the public as their individual consciences and best judgment dictate. Put another way: We enjoy a form of institutional governance whereby the American people *entrust* control of their academic institutions to citizen boards rather than to their elected legislators, governors, or their bureaucracies. In public higher education, tension inevitably grows between colleges and university leaders and those holding political power; fortunately, this generally is not the case in independent higher education, although episodes of intrusion through regulation of one kind or another periodically surface.

Although independent colleges and universities enjoy much more freedom to conduct their own affairs than public academic institutions, they have a clear obligation to act in

> *"The demise of lay governance has long been predicted and, by some, devoutly hoped for. Complaints against the system are often well founded. Yet so far no reasonable alternative has been found."*
>
> — J.L.Z.

the public interest. State governments charter and enable them to operate as nonprofit and degree-granting entities; the federal government provides tax-exempt status—with the obvious advantage of the tax-deductibility of gifts and grants from private sources; and government provides student aid of various kinds to supplement institutional resources. Furthermore, many private colleges and universities receive direct grants from state government in recognition of their public purposes.

> *"It is not unreasonable to expect of regents and trustees the highest degree of experience and probity."*
>
> — J.L.Z.

Hence "independence" from governmental control is relative and will be sustained only as long as governing boards and their administrations keep their houses in order and meet their fiduciary and ethical responsibilities. This concept applies equally to sectarian and nonsectarian institutions, although the latter are allowed a few more prerogatives.

Many ambiguities are inherent in the practice of academic trusteeship. For example, although this form of voluntary public service is held in high regard, with concomitantly high expectations of individual board members, trustees as individuals have no legal authority nor are they entitled to special prerogatives. *The board* has the legal standing and a fairly wide latitude to act, even to the extent of making decisions that are unpopular.

The relationship of the governing board to educational programs and the curriculum, the relationship of trustees and boards to students and faculty, the distinction between policy and operational matters, and the involvement of trustees in setting institutional priorities also are ambiguous and frustrating concerns—for trustees and academic leaders alike. These and other tensions are discussed in this essay.

The modern college or university has more categories of "stakeholder" than any other type of human organization. In addition to faculty, staff, and students, the obvious ones include parents, alumni, community leaders, government officials and agencies, the press, and donors. And because presidents and governing boards find themselves in the middle of all of them, academic trusteeship is a constant balancing act between:

- exercising authority and exhibiting restraint;
- making unilateral decisions in the boardroom and requiring or expecting consultation with appropriate constituents;
- advocating institutional needs and interests and interpreting what best serves the larger public good;
- acknowledging that the institution must adhere to laws and regulations that underpin its legitimacy to operate and championing the right to function independently of governmental control and unreasonable intrusion from any quarter;
- being adamant about one's principles and point of view and helping to build consensus with other trustees on complex issues; and
- knowing when to lead and knowing when to follow.

What are the governing board's responsibilities?

Ultimately, the board holds the institution it serves in trust for the public that supports and depends on an effective, diverse, and competitive "system" of higher education. This principle undergirds each of these 12 primary responsibilities:

1. Setting mission and purposes.
2. Appointing the president.
3. Supporting the president.
4. Monitoring the president's performance.
5. Assessing board performance.
6. Insisting on strategic planning.
7. Reviewing educational and public-service programs.
8. Ensuring adequate resources.
9. Ensuring good management.
10. Preserving institutional independence.
11. Relating campus to community and community to campus.
12. Serving occasionally as a court of appeal.

1. Setting mission and purposes. What a college or university says about itself in published statements of institutional mission and purposes guide the faculty, administration, and board in their work. Even though such statements may be broad in their scope and lan-

"The first duty of the trustee is to understand the purpose of the institution, to determine direction, and to assist in holding a steady course."

— J.L.Z.

guage, they can help clarify what makes the institution distinctive. These statements should appeal to the hearts and minds of those who share, or can be persuaded to share, the same values and loyalties.

Such statements often are supplemented with more specific priorities, goals, and objectives, largely for internal use. But the institution's mission statement also affects, or should affect, how the board addresses its responsibilities. Reaffirming or changing the institution's mission statement ultimately is a governing board responsibility, but it is a responsibility shared with the chief executive officer and faculty, and perhaps with alumni and other stakeholders as well. Major changes in mission and purposes require great sensitivity and broad consultation, but the board properly reserves to itself the ultimate authority to adjust them when necessary.

These are questions for the individual board member:

- Am I familiar with our statement of mission and purposes?
- When did the board, administration, and faculty last review it? What was the outcome of the process?
- Are we who we say we are as an institution? Does the statement adequately convey what we are, strive to be, and offer to prospective students and parents?

2. Appointing the president. Most people acknowledge that this is the paramount board responsibility—and for good reason. The process of recruiting a chief executive is difficult yet rewarding for those directly involved in the process, and few trustee activities are as consequential to the institution's future. Whether and how to use executive search firms; how to involve faculty, student, and alumni leaders; and assessing the institution's needs and the qualities and experience necessary in a new leader are among the challenges of the process.

Many constituencies expect to have a voice in the process, and each prefers certain experience, talents, and personal styles in their new leaders. Most boards employ a

single search committee, although some prefer two committees: one to search and screen (with significant constituency representation, especially faculty) and another to select (consisting entirely of trustees). Whatever the consultative process, the board has the sole responsibility to make the final decision, consistent with its overall responsibility for the institution's health and welfare. The president is directly responsible to the board.

"Just as board members cannot embody all the virtues, neither can presidents."

J.L.Z.

In the coming years, it is possible that more boards will consider the possible benefits of succession planning. This practice, commonly found in the corporate sector, is difficult to practice in the academy. If an open, national search is not conducted, constituent groups inside and outside the institution feel disenfranchised. Qualified internal candidates, if they are effective leaders, surely have angered one group or another at some point. And minority members of the college or university community often resist any procedure except an open national search.

But there are real and tangible advantages to succession planning, particularly when continuity of leadership is especially critical and when there is an obvious strong candidate within the institution who has widespread support and demonstrated competence. Although succession planning in the presidency will probably continue to be a rare practice, it should be considered more than it is.

The median period of service in the independent college or university presidency is about seven years. (That is, one-half serve for fewer than seven years!) Whether this statistic is deemed to be acceptable or unhealthy continues to be debated, but these facts are obvious: (1) Boards find themselves searching for presidents more often than was true two or three decades ago, and (2) the process is much more expensive, time consuming, and complex than in the past.

In recent years, the higher education community has learned much about the structure and process of conducting presidential searches; some helpful literature

and related services are available.

Times of presidential transition are wonderful opportunities for the examination of institutional mission, strengths, needs, and priorities—prior to the design and conduct of the search process. The new chief executive should embody the values and goals on which there is consensus and be guided by those priorities ultimately identified by the board.

These questions may be helpful:

- Is there a written record of how the search process was conducted last time?
- Did the board (or at least its search committee) undertake a review of the institution's needs and priorities before determining the qualifications it sought in its new leader? Were the board's expectations or priorities for the institution made clear to the final candidates?
- Does the board have a standing set of policies and procedures to guide the next presidential search process?
- Does succession planning offer potential value to our institution?

"Given the peculiar nature of the academic institution, the president is constantly in danger of becoming everybody's target, to be seen as an adversary by every group. He or she is, of course, primarily the agent of the board. Success, however, depends on maintaining constructive relationships with all groups, even when he or she must oppose one or more of them (including the board itself)."

J.L.Z.

3. Supporting the president.
Effective leaders are often controversial, willing to engage difficult issues openly, consistent in recommending what is best for the long-term interest of the institution (often to the chagrin of affected interest groups), and willing to take their share of "the heat." But they also expect and need the board and individual trustees to support them publicly.

Boards support their presidents in any number of ways, beginning with conditions of employment appropriate to the vulnerabilities of the

presidency: this includes appropriate and fair compensation. But individual board members can show their support in many other ways as well: by faithfully attending meetings, giving and helping to raise money, showing interest in the issues and opportunities that preoccupy the president, and offering an encouraging word now and then—especially by acknowledging accomplishments and progress.

> *"Except for unusual situations, the president should speak for the institution."*
>
> J.L.Z.

Boards and individual trustees periodically must defend their president's (really their own) decisions. It is increasingly commonplace for disgruntled faculty or staff to complain directly to board members, for example, but what matters is how trustees deal with such complaints. Faced with a complaint, a trustee always should give the president the benefit of any doubt and directly communicate anything that may be consequential. The doctrine of "no surprises" between boards and presidents is a joint responsibility.

One mark of a healthy relationship is the degree to which it is built on trust and mutual respect, a spirit of candor and openness in communication. Confident presidents can take honest and informed criticism and do not expect their boards to agree with them on all issues and recommendations. But public displays of criticism, even if followed by private apologies, are harmful and presage trouble.

It does not take long for new trustees to determine the state of health of their board's relationship with the president, and they should not underestimate their own capacity to help build or restore mutual confidence and respect. Presidents and board chairs welcome the insights, observations, and suggestions of newcomers to their boards. Along these lines:

- Was there an issue within the past year or two that caused the president to be on the hot seat—either with a campus group or with the board itself? Did the board demonstrate its support of its chief executive? How was the issue resolved?
- Does the board encourage or discourage the president from publicly addressing the social and moral

issues of the day? (Many chief executives are reluctant to do so for fear of offending one or another group and not having their board's support if they do.)

- How has the board demonstrated its appreciation for the president and his or her leadership?
- If the president has a spouse who actively assists with the myriad of presidential responsibilities, how has the board recognized and acknowledged his or her contributions to a successful presidency and the institution?
- In light of the president's period of incumbency, is it time for the board to insist that he or she take a sabbatical or extended leave to refresh and renew?

4. Monitoring the president's performance. Because presidents are public figures, virtually everyone with whom they meet assesses their style and substance, although not always objectively or comprehensively. The board has an especially delicate responsibility to monitor the president's performance, although many boards neglect it because it is so difficult to do effectively and sensitively. At stake is the integrity of the presidency and its incumbent, as well as the institution's and board's reputation. Done well, however, a formal review process can be enormously helpful to the president and educational for the board; done poorly, more harm than good can result for everyone. Consequently, there is a widespread ambivalence among presidents and boards.

"Although the president is the agent of the board, he or she should also be seen as an effective leader of the faculty and as a spokesperson for their concerns."

J.L.Z.

Chief executives tend to prefer informal, annual reviews by the board's executive or compensation committee, or by an ad-hoc committee. Such reviews often are tied to adjustments in compensation. Sometimes, but too infrequently, these annual processes are tied to agreed-upon priorities or goals. Some presidents provide their boards with annual written and oral statements of accomplishments, unmet or frustrated goals, and major priorities for the coming year.

Some good literature on this important responsibility captures the

experiences of governing boards and presidents. Not surprisingly, opinion differs widely about process, although strong unanimity exists with regard to purpose: Formal, comprehensive reviews of presidential performance should be conducted primarily *to help the incumbent strengthen his or her performance.* Some would argue that such reviews also should be tied to compensation or to contract renewals. But only the uninformed would argue that it should be used as a basis for retention or firing.

Because strong presidents and boards are increasingly crucial, and because in the healthiest of academic settings the effectiveness of one depends largely on the other, it is time for a fresh look at this board responsibility. Rather than singling out the president for a formal review at, say, the five-year or seven-year mark, the board should insist on a *concurrent* review of its own performance and the president's performance.

And because objective, professional advice is surely needed to facilitate the design of a process and to conduct it, the president and board leaders should look outside the institution for help. The board should be willing for the institution to cover such an investment—especially given the potential good that can come from the process, and the fact that finding and keeping top leadership is a major board responsibility. An ideal approach is to select a team consisting of a former president who enjoys a solid reputation and a trustee who is experienced with board self-studies. Presidents should want to know how others view their performance; likewise should the trustees.

- How does the board currently review the president's performance? Who does it? When?
- When did the board last review its own performance? How?
- If the president has held the position for seven years or more, and strong sentiment exists to extend the period of leadership, is it likely that outside consultation would enable all parties to learn something useful from concurrent reviews of the president's and the board's performance?

5. Assessing board performance. Every board has a responsibility to assess its effectiveness as part of its

mandate to ensure that the president and the institution are performing adequately. The board needs to set its own good example for the academic community.

This need not be a dreary process. With the help of a written survey completed by individual trustees and the president, trustees can renew their vows, get to know one another better, and gain the satisfaction that comes from discussing important issues and concerns that do not reach the table in the course of regular business meetings. It can be fun as well as substantive.

A special board workshop or retreat devoted to the process of review every three or four years can make an enormous difference to board and presidential morale and to working relationships. The membership and dynamics of boards change over time, and because the president and board members are likely to view their relationship differently, it is best to secure the objectivity and competence of an experienced facilitator.

"There is need for more statesmanship and less intervention in institutional affairs on the part of trustees and regents."

— J.L.Z.

- What changes in board member recruitment, committee structure, bylaw provisions, or performance resulted from the board's last self-study?
- If the board, its officers, or president are avoiding this responsibility, on what grounds are they doing so?
- Is the performance of individual trustees who are eligible for reelection assessed by the appropriate board committee? (There is a healthy trend for boards to adopt their own statements of expectations for their members; asking trustees to respond to a few questions on a self-assessment questionnaire can help the committee to assess commitment.)
- What are the pros and cons of having a concurrent review of both presidential and board performance?

6. Insisting on strategic planning. The conventional wisdom is still valid: Governing boards are responsible for ensuring that the administration and faculty engage in sound planning, assess the quality of the results, and

implement new priorities, goals, and objectives. Serious issues of administrative and academic restructuring, cost containment, and enrollment management abound these days, along with major (and expensive) decisions about investing in and using new technologies. But ambiguities persist about the board's role in the process of planning.

For example, how can busy trustees be expected to participate in the process? Should they take part through their board committees, their own planning committee, or as part of an institutionwide planning committee? What can trustees contribute to discussions of curriculum reform or to difficult decisions about what degree programs or student services to cut or add?

These and similar issues can perplex presidents, faculty leaders, and trustees. But everyone understands the importance of strategic planning and the imperative that the board "own" the outcomes. Trustees who have the requisite time, commitment, and expertise to join administrators and faculty in this endeavor should be included in the planning process. Most institutional leaders understand this and welcome trustees' questions to stimulate creative thinking and response.

New trustees should have some sense about these matters:

- When was the last planning process conducted? Is a copy of the plan available? Are progress reports given periodically to the board?
- Did the board have a substantive role in the last planning process? Are the trustees currently engaged with administration and faculty leaders on issues bearing on the institution's future?

7. Reviewing educational and public-service programs. Of all board responsibilities, this one is the most ambiguous. Most presidents and faculties accept the board's ultimate authority and responsibility to establish new or discontinue existing degree programs, for example, but whether or how the board should participate in the process of decision making is another matter. Indeed, many faculties consider this area to be their exclusive domain. This inevitably creates tension between faculties and their administrations and governing boards.

Current preoccupations with containing costs, reallocat-

ing limited resources to capitalize on institutional strengths, reducing the rate of annual tuition increases, stabilizing commitments to institutionally funded student aid, and "restructuring" the institution heighten the need for the board to exercise its academic oversight responsibility. Reviewing the institution's academic program is intimately linked to the board's responsibilities to (1) insist on effective strategic planning and (2) to approve annual budgets.

"To attempt to know everything about the institution will be foolish, but to know too little is to be helpless."

~ J.L.Z.

Trustees should expect to know which academic programs are strongest and weakest and why. They should know which contribute the most and the least to the institution's reputation and financial health. They should know which academic departments and majors with relatively low numbers of graduates or faculty teaching loads are being maintained because they bring value consistent with the institution's mission and distinctiveness. And they should be familiar with academic personnel policies, including tenure and post-tenure review policies. Trustees should be able to explain and defend their institution's tenure system—or why it does not have one.

One of the most contentious matters confronting governing boards and trustees is that of academic tenure. Space does not permit a full explication of its origins, purposes, costs and benefits, or the nature of the current attacks on it, but trustees should read Richard P. Chait's chapter in *Governing Independent College and University Boards* (1993) and his more recent essay in the AGB periodical *Priorities* (1995), both of which are cited in Appendix B.

Trustees are increasingly questioning many of the academy's most sacred values and traditions. And tensions between faculties, administrations, and trustees are mounting. But faculty understandably expect, at the very least, to be consulted before changes are made to academic program offerings, degree programs, and academic personnel policies. Reasonable efforts to consult with faculty on such matters are important.

With regard to public-service programs, independent colleges and universities have proved to be capable of

maintaining good "town-gown" relationships—although there are issues and situations when the institution must hold its ground. College officials should convey to neighbors why the local institution deserves public support, and they should develop visible links of faculty expertise, college facilities, and other educational resources with the local school district, community businesses, and social-service organizations. Trustees should encourage and be kept informed about public-service initiatives.

Understanding the answers to these questions may help promote good faculty-trustee communication without undermining the integrity of the presidency:

- Should communication between the board and the faculty be improved beyond the opportunities currently available to exchange views on issues affecting the institution's future? If so, and assuming there is consensus to do so, what does the president recommend?
- Does the board have a good sense of the strengths and weaknesses of the academic programs? Of public-service initiatives? What information beyond what the board currently receives can help it to monitor and fulfill its responsibilities in this area?

8. Ensuring adequate resources. There never is enough money. But the governing board is responsible for helping to ensure that the institution has adequate resources to do its job well and that it lives within its means. Trustees, therefore, are expected to provide annual gifts and to support capital campaigns in proportion to their capacity to give. And they are expected to help raise money.

Some trustees and boards leave this responsibility to their presidents and chief institutional advancement officers, but this is wrong. The ultimate responsibility is the board's and each board member's. The chief executive is a central player here, of course, but the chief executive can be little more effective than his or her board. A mark of an effective board and individual trustee commitment is the capacity to give and to influence others to give.

Experience repeatedly has proved that when a board is consistently engaged with the administration and faculty in addressing the large issues confronting the institution's

future, its record of financial support improves.

As pressures to contain costs and to moderate annual tuition increases continue, raising money from graduates and other friends, foundations, and corporations is increasingly important. Trustees must set the example, expect more from one another, and lead the way. Indeed, the best fund-raisers are those who give generously themselves.

The number of multiple academic trusteeships held by individuals has declined noticeably in the last decade. This is a healthy trend, given the higher expectations institutions hold for these individuals. If one accepts the privilege of serving on a college or university board, the responsibility to serve it well is implicit; if the institution is not at the top of the trustee's priorities for time and money, he or she should relinquish the position. Among the most revered of board members are those who have experienced the joy of giving, especially when it is truly consistent with one's capacity; such trustees understand that their college or university will outlive them in the service of future generations. Trusteeship and philanthropy go together.

Along these lines:

- Do you regularly see reports on the aggregate gifts provided by your fellow trustees—with comparisons for the same time period in the preceding fiscal year? What is the average annual gift, and how does your contribution compare? Is it proportionate to your means?
- If you think the board's record of "giving and getting" private gift support is not what it should be, do the board's leaders agree? If so, what can be done to improve the picture?

9. Ensuring good management. One mark of "good management" is that revenues balance with expenditures, although this has little bearing on the quality of the academic program or the institution's graduates. Other important criteria affect these outcomes.

What also matters includes the quality of the faculty and their commitment to their disciplines, their departments, and to the institution; the need for good risk-management policies and practices; the quality of the management team behind the chief executive; the adequacy

and adherence to student and faculty due-process policies and procedures; adherence to laws and regulations; the condition of the physical plant; the endowment's performance—and much more.

> *"Fiscal soundness is not an index of academic vitality."*
>
> — J.L.Z.

Many colleges and universities have made their financial statements more intelligible and comprehensive by providing useful comparisons with prior year figures, ratios, and trend data. All trustees should see the quarterly reports provided to members of the finance or budget committees, and boards should avoid overreliance on the audit report. Data should be translated into information in executive summary form.

Recent changes in how nonprofit organizations carry depreciation and account for gifts and grants, as required by the accounting industry and the federal government, have adversely affected balance sheets at many institutions. Trustees should be informed, alert, and proactive with regard to their fiduciary responsibilities. They should not be shy about asking for the information they need to fulfill them.

How do you assess your board's effectiveness on this dimension of its responsibilities?

- Does the board understand the distinction between "ensuring" or "overseeing" good management and actually managing the institution? Are the president, other key officers, and the board compatible in this area?
- Do the president and board set mutually agreeable goals or priorities at the beginning of each academic or fiscal year?
- What criteria do you use to define good, appropriate management for an academic institution? Are these shared by others on the board? By the president?
- Do all board members regularly receive the information they need to monitor the institution's health and welfare?

10. Preserving institutional independence. Are independent colleges and universities doing a good job of

regulating themselves? Are their boards maintaining sound ethical practices? Do the institutions provide prospective students and parents with adequate information about themselves and the programs they offer? Do they produce graduates with demonstrable competencies? How one answers such questions matters more and more these days as the state and federal governments seem to be moving toward greater regulation. Legislatures have a tendency to micromanage any institution that directly or indirectly accepts tax dollar support.

The *Dartmouth* case before the U.S. Supreme Court in 1819 established the principle of private college independence from state control. Although this and subsequent court cases clearly establish the academy's right to decide who may teach, the curriculum and how it should be taught, and who should be admitted to study, elected officials, the courts, and state agencies have plenty of room to play. Consequently, along with society's expectation that colleges and universities maintain the highest possible ethical and moral ground, the principle and practice of self-regulation have become increasingly important.

Voluntary institutional accreditation and volunteer governing boards are the only mechanisms devised thus far that provide a measure of healthy distance between campus and capitol. To many public officials, however, the primary purposes and conduct of institutional accreditation have been oriented more to institutional "self-improvement" than to "public accountability" priorities. It remains to be seen whether the content and processes of institutional and specialized program accreditation can or should address both needs more equitably; at stake is the apparent intent of many state legislatures and governors to regulate and reform higher education.

Independent colleges and universities are chartered by state governments; they are properly expected to operate as a public good and to serve the public interest. And boards of trustees bear a civic responsibility to represent the public and to ensure that their institutions continue to earn the right to maximum freedom from governmental intrusion.

The outcomes of institutional accreditation reviews can help governing boards meet their responsibility to assess the institution's performance. But it remains to be

seen whether the accrediting agencies can cope with the many new pressures being placed on them. The future of accreditation should be a major concern of all trustees and presidents.

As the Carnegie Commission on Higher Education reminded us in 1973, "Autonomy is limited by law, by the necessary influences and controls that go along with financial support, and by public policy in areas of substantial public concern. Autonomy in these areas is neither possible nor generally desirable." Nevertheless, trustees should remain vigilant about unreasonable intrusions by government and be prepared with their chief executives to articulate the principle of independence for private colleges and universities.

The public sector of higher education has, unfortunately, lost considerable ground in recent years on this score, and we have witnessed the consequences on the private side of higher education as well. There are renewed and serious threats to their exemption from property taxes, for example. In a somewhat controversial effort to insulate themselves from this trend, many private colleges and universities provide "payments in lieu of taxes" to help support their share of local fire, police, and other services. Some private institutions were pressured to open this Pandora's Box many years ago.

These questions are extensions of the foregoing:

- Are the members of my board familiar with the work of the regional association that accredits my institution? What standards are used to accredit or reaccredit colleges like mine? Did the board receive copies of the report of the visiting accreditation committee when we were last reviewed?
- Are the members of this board made aware of relevant public-policy developments at the state and federal levels, especially those that could adversely affect our independence, governance, management, or financial condition?
- Are members of my board able and willing to serve as effective advocates for enlightened public policy affecting higher education, private and public?

11. Relating campus to community and community to campus. Boards of trustees are "buffers," but they also

are "bridges" to their communities. There are times when the board and its leaders must defend policies and explain institutional actions to their communities, and times when the faculty and administration benefit from occasional doses of reality that trustees can bring to their campuses. The trustees have one collective foot firmly planted in "the real world" and the other in "the academic world."

Trustees are advocates, and they are "loving critics." They are institutional ambassadors, and they are public representatives; on both scores they exercise important civic responsibilities.

Society always is changing, but the enormous changes in the nation's demographics in recent decades and projected into the third millennium are influencing our social, economic, and political environments in unprecedented ways. We know that all institutions resist change, and the academy is no exception. John W. Nason, former president of Swarthmore and Carleton colleges, reminds us that some of this "inertia" is "...the result of the self-centeredness of colleges and universities. Living and working together tends to isolate the members of the academic community."

"The special character of colleges and universities is found in two broad relationships: between students and teachers, and between these two and the administration. The quality of these relationships provides the best indicator of the real health of the institution."

J.L.Z.

Regardless of the outcomes of the current debates concerning "diversity" and affirmative action, what is the responsibility of an academic institution to be inclusive in (1) its admissions and financial-aid policies and practices, (2) its faculty and staff hiring practices, and (3) the membership composition of the board of trustees? The demographics of the nation will continue to change: What are the practical and moral implications for your college or university?

- Do the members of my board have a good record of representing our institution in their circles of influence? Are they encouraged to do so?
- How can trustees better under-

stand and explain the public's concerns about what it thinks our institution is doing and should be doing?

- Is the membership composition of the board reasonably reflective of the current and projected composition of the student body with regard to gender and racial and ethnic minorities? Why should it be?

12. Serving occasionally as a court of appeal. Student, faculty, and staff grievances should be settled through institutional policies and procedures at the lowest possible and appropriate administrative level. But our litigious society has made this principle much more difficult to practice.

Lawsuits against colleges and universities are commonplace; trustees increasingly are named with their presidents as codefendants in frivolous and substantive cases alike. Consequently, boards of trustees must be alert to their own and their institutions' vulnerabilities.

Although higher education's record of prevailing in the courts is very good, the cost of litigation is enormous. Governing boards have no choice but to be more involved in the process of protecting their institution's rights and welfare—and in the details of situations that threaten their college or university.

The basic board responsibilities are obvious: ensuring that good due-process policies and procedures are in place and followed, ensuring access to the best possible legal counsel, asking good and timely questions, carefully reviewing periodic reports on the institution's legal affairs, and ensuring good risk-management practices are employed.

Less obvious and much more delicate are the ground rules the board creates to review or adjudicate major personnel actions or student disciplinary appeals. Even here, the conventional advice is still sound: The board should limit its review of the merits of the case to determine whether institutional policy and procedures were properly followed. In so doing, the board usually will act as a court of appeals. Normally, it will reaffirm whatever decision already has been made, or it will remand the case for a second review with a clear statement of what the board (or its committee) found to be troublesome or wrong. While mindful of the president's position and the

importance of protecting the integrity of the presidency, the board is the ultimate campus authority short of the civil or criminal courts.

Some progress has been made in the use of "alternative dispute resolution" or "mediation" services on campuses. Trustees should know whether such principles and techniques are in place on their campuses and how well they work. And they should consider use of such alternatives in situations when the board is directly involved in a dispute with another party and when it may be appropriate to do so.

- When is the last time all of our due-process policies and procedures were reviewed by legal counsel and appropriate board committees? Under what circumstances, if any, does the board allow itself to review faculty, student, or staff grievances?
- What is our record in dealing with lawsuits? On what issues with what outcomes over the past five years? Are we using mediation services on campus in any way?
- Do we receive periodic reports and updates on legal developments affecting our institution?

What are your responsibilities as an individual trustee?

The foregoing list of 12 responsibilities constitutes the governing board's job description. The individual board members' responsibilities differ from, but are complementary to, those of the board. Although trustees deserve and earn respect within the academic community and are held to a high standard of conduct, only the governing board has legal standing; individual trustees possess no authority nor special prerogatives.

Boards are finding it useful to adopt formal statements of responsibility to clarify some basic expectations that their members hold for one another. Although most of these expectations are obvious, others are more subtle and address some of the ambiguities surrounding the role. Basically, trustees are judged by their peers and others largely on their willingness to be team players and on knowing when to lead and when to follow.

Faithfully preparing for and attending meetings, being knowledgeable about the institution, and asking good

questions in the boardroom are obvious expectations. But trustees are held to high standards. What sorts of situations should trustees avoid? To name a few: asking for special favors of the administration; wittingly or unwittingly becoming spokespersons for disgruntled faculty, students, or staff; representing oneself as a "single issue" board member; persistently advocating the interests of one or another department, school, or function; violating the letter or spirit of the board's conflict of interest and disclosure policies.

Some of these matters can perplex the trustee who seeks to demonstrate commitment. Here are some guidelines:

- Speaking for the board or institution ordinarily is reserved for the board chair or chief executive. Be wary of, rather than welcoming to, the ambush interview by the local reporter.
- Serving the institution as a whole and not any one part of it is a responsibility of all trustees. Although you have every right and duty to bring your knowledge of any special group's interests to the board's discussions and to articulate personal principles to influence the judgments of others on any issue, you also have a responsibility to support the majority action, even if you disagree with it.
- Seeking opportunities to inform the public about your institution—about the many good things it is doing and about why it deserves support—are part of the fun of trusteeship.

The most effective trustees consistently exercise good judgment but are also careful listeners. They are strong in their convictions but appreciate the convictions of others. They seek advice as readily as they give it. They do not shy away from making difficult decisions in the boardroom and taking their share of criticism when necessary. But in their individual capacities outside of the boardroom, they

> *"Among the more troublesome notions still afloat: A board membership is somehow a "right" to be claimed for whatever reason. Equally troublesome is the notion that membership on a board is a courtesy due to wealth, tradition, or loyalty."*
>
> **~ J.L.Z.**

also practice the behavior so eloquently described by Philadelphia Quaker Hannah Whitall Smith: "The true secret of giving advice is, after you have honestly given it, to be perfectly indifferent whether it is taken or not, and never persist in trying to set people right." Humility has its place in the boardroom, along with conviction and leadership.

What makes the academy distinctive?

Colleges and universities possess unique purposes, structures, and traditions within a society that places high value on freedom, unfettered pursuit of truth, and competition among organizations within a market economy. The academic institution is like no other tax-exempt or commercial enterprise. It should not be treated by elected officials as if it were a government agency. Neither should it be treated by trustees as if it were primarily a business, although it should adopt sound business practices.

Unlike commercial and many other nonprofit organizations, colleges and universities find it difficult to apply many of the normal corporate cost-cutting practices and other efficiencies. Teaching and learning are their primary functions, and their relationship to one another has no precise parallel in the business world when "training" is distinguished from "education." We can treat faculty like employees, but at what price and with what results? We can standardize curricula to achieve greater cost efficiencies, but at what cost to quality and the ability of higher education to serve diverse needs?

The foregoing is not to argue that faculties and other institutional leaders cannot and should not be challenged to think smarter about what they do and how they do it. Nor that the new technologies do not have enormous implications for improving teaching and learning. Indeed, incorporating information technology is likely to be the single greatest challenge to traditional colleges and universities and their values as commercial enterprises enter the "education

"Perhaps the time of self-justification for trustees is drawing to a close. If so, that itself is a sign of better things to come."

J.L.Z.

business." The competition for students and the public's affection will be greater than ever in the years ahead.

Trustees and boards need to understand three important values and traditions within the academy: academic freedom, institutional independence, and shared governance. These sometimes are misinterpreted and abused, especially by some faculty. It ultimately is the responsibility of trustees, with their chief executive, to define each value or tradition as it applies to their institution in contemporary society. Each is important and deserves respect, but deciding when, how, and on what issues each should be applied ultimately is a governing board responsibility.

> *"If the board member should offer an opinion, it will almost certainly be accepted as official, no matter what the disclaimers."*
>
> **J.L.Z.**

Traditional academic and faculty values should be respected and considered because they undergird the largest, most diverse, and finest higher education "system" in the world. The reputation of academic institutions is primarily a reflection of the competence and reputation of their faculties. But governing boards and chief executives must continue to define and redefine the balance between delegation of authority and their joint responsibility to ensure the health and integrity of the institution as a whole.

Academic institutions are fragile because they are so vulnerable to criticism. But history shows they can be resistant to attack—and to change, even when it is necessary or desirable.

The governing board finds itself in the middle of all manner of pushes and pulls, but it ultimately is the board that must decide what should be changed or improved and what should not. Boards, trustees, and chief executives should take the long view: What is best for our college or university over time? How can we maintain our competitive edge without selling our soul or sacrificing our standards? How do we and our faculty define a high-quality education? How do we and our faculty know we are providing it?

How can setting policies be distinguished from managing?

Not very easily, but it is important to try! Boards often find themselves dealing with matters that relate more closely to institutional management than to matters of longer term, strategic importance to the institution's future. Sticking to consideration of matters of institutional strategy is challenging and difficult, but there are ways you can help keep the board on the policy course.

First, however, it is important to distinguish between levels and types of policies. It should be remembered that the governing board is *part of* an institution's governance structure. Many policies are "executive" or "operational" in nature; department heads, deans, vice presidents, and the chief executive have within their purview the responsibility to make policy decisions and to act on or within broad policies already approved by the current or predecessor governing board. In any event, most institutional policy recommendations are *brought to* the board for discussion and adoption—sometimes at the board's behest, more often by chief executive initiative. Trustees should not sit around the table and write policies.

Second, what one trustee or one board in one type of institutional setting would consider "a policy matter" might be considered a decision for management elsewhere. For example, what the majority of trustees of a church-related college would view as a board matter is likely to be seen by the trustees of a private research university as a matter for management discretion. Thus, the line between policy and management is difficult to draw and must be continuously negotiated between chief executive and board as part of the art of good trusteeship.

> "*Trusteeship, like all important undertakings, is an art to be cultivated rather than a technique to be learned.*"
>
> J.L.Z.

What does the board typically expect of the chief executive?

A great deal, but sometimes too much. The academic presidency has become one of the most difficult positions

in contemporary organizations, commercial or tax-exempt. College and university chief executives carry enormous pressures, and trustees and governing boards should be particularly concerned about how the position is evolving at their own institution. The ultimate test of a governing board's effectiveness is its ability to attract and retain competent chief executives.

"Those who accept board membership should place it in rank immediately after personal and occupational demands."

~ J.L.Z.

Presidents and chancellors lead and manage multimillion (even multibillion) dollar enterprises that have taken on the characteristics of small cities with thousands of employees and ever-increasing numbers of special-interest groups. They need all the help they can get from their boards.

Despite the heightened responsibilities of chief executives and the growing pressures with which they must cope, boards typically hold a number of expectations for their presidents and chancellors. The vast majority of these individuals accept and meet these challenges.

Trustees expect their presidents and chancellors to do the following:

- Provide data and information in the right amounts, on the right matters, and in forms that are quickly comprehensible and usable. Trustees expect the chief executive to be an effective cheerleader for the institution, but they also expect to be informed about the bad news along with the good.
- Respect the board's fiduciary and other responsibilities to hold the institution accountable to the general public. Trustees are, or should be, "loving critics," but their effectiveness as advocates depends in large measure on the depth of their knowledge about institutional problems, warts, and blemishes—as well as strengths and opportunities.
- Be an academic leader, adept politician, and effective fund-raiser by consulting as much as possible with constituents most affected by realities confronting the institution. Board members expect their presidents not to shy away from recommending that

tough choices be made in a timely way, and they expect the president to count on trustees for support once final decisions are made.

- Accept with patience, grace, and style differences of opinion and the occasional disagreement with the board's posture on important issues. This should not happen often, of course, but the board should not be made to feel it is being unsupportive if it does not accept everything the chief executive recommends.
- Avoid surprises—at least too many of them. Trustees understandably want and need to be the first to know.
- Make good use of the board's time, especially in committee and board meetings.
- Work closely with the board chair to educate and lead the board. Presidents and chancellors instinctively know that trustees and boards will rise only to the level of expectations held for them; trustees look to their leaders for guidance and motivation.

What does the chief executive typically expect of board members?

Also a great deal, also sometimes too much. Trustees face many pressures of their own, and chief executives sometimes forget this simple fact. While most board members handle these pressures appropriately, some do not. Those who consider their role to be part "watchdog" or who spearhead personal causes can do great harm to the reputation of the institution. Commitment is a virtue in trustees, but for those whose trusteeships become the most important thing in their lives, the consequences are rarely healthy for anyone—least of all the institution. Trustees have the capacity to make the chief executive's life easier or very difficult.

Presidents and chancellors can reasonably expect their trustees to do the following:

- Be as open and forthright with them as they expect the chief executive to be with the board. The board shares a responsibility to avoid surprises whenever possible.
- Help the board chair and chief executive to instill in all board members the important principle that *the*

chief executive works only for the board as a whole. Trustees must be clear about what data and information *the board* really needs to meet its responsibilities. Individual board members never should make unilateral demands on institutional officers for information without the approval of a board committee or, depending on the circumstances, the full board itself.

Think and act on behalf of the best interests of the institution and the board as a whole, rather than as lone rangers. Regardless of how trustees are selected or whether they feel a kinship with one or another constituent group, *all* trustees carry this overriding obligation. As is true for the chief executive, it is one's ability to persuade, to convince, and to be compelling that earn the respect of one's peers and the board.

Maintain confidentiality. Unilaterally providing anyone with information reserved for the board is the most egregious violation of trust.

Set an example in private philanthropy. No more effective way exists for trustees to earn and maintain the respect of their peers and administrators. Giving to the best of one's ability and means signals an understanding that philanthropy provides for that margin of excellence. Others are motivated by trustees who set the pace.

> *"Meetings can be short yet constructive, or short and perfunctory; or long, tedious, and disruptive; or long, systematic, and regenerative. Meetings are but means to an end."*
>
> **J.L.Z.**

How should the board accomplish its work?

Ideally, through a good committee structure. There is no perfect way to organize the board, but most of the board's work should be accomplished in committee. That is, committees should study alternative actions and offer their recommendations to the full board for action. The board should determine the priorities to be explored by

"Rare is the report of satisfaction with the typical board meeting."

J.L.Z.

its committees rather than the other way around, however.

Here are some other principles worth considering:

- Charter as few committees as necessary, and supply each with a clear statement of role and scope and a designated senior-staff officer to work with it.
- If all trustees are traditionally invited to attend any committee meeting they wish, everyone should know who actually sits on the committee (placecards and designated seats will do the trick).
- If there is an executive committee, its role and scope should be carefully articulated as board policy.
- Use ad-hoc committees to address special issues or opportunities. (They have been found to be effective and motivational.)
- Rotate committee leadership on a reasonable schedule, and periodically invite all trustees to express their interest in specific committee assignments.

How should I view the practice of student and faculty trusteeship?

Probably with mixed feelings. Although relatively few governing boards of independent colleges and universities have students or faculty in trusteeships, those that do generally report these individuals are responsible, even exemplary, citizens who often bring useful insights and perspectives to the boardroom.

Such trusteeships, however, are inconsistent with a basic principle of trusteeship. All board members, regardless of who they are or how they are selected, should be expected to adhere to the same expectations to fulfill their fiduciary and other responsibilities. They should not be selected to "represent" special interests. Once students secure voting or nonvoting trusteeships, it is inevitable that faculty will persist with their own self-interest, to be followed by others who also have a stake in the board's decisions.

The bottom line is that boards and administrations should find creative ways to consult with key constituents on appropriate issues and to keep them informed about

the reasons for certain board decisions—beginning with the economic facts of life affecting their institution's health and future. The best practice is to do what most institutions do: include student and faculty leaders on appropriate board standing committees and invite educators from other academic institutions to serve as trustees to avoid conflicts of interest.

Some final observations

Independent colleges and universities are undergoing their most significant period of self-assessment since World War II. Trustees and their chief executives find themselves amid a swirl of old and many new issues. Extraordinary board leadership is needed to help address such concerns as academic program quality, tuition pricing, institutionally funded student aid, cost containment, productivity, restructuring, institutional focus, and the new challenges caused by the enormous shifts in the nation's demographics.

There is little doubt that trustees will have to be much more aware of public-policy developments than has been necessary in past decades. And they will have to be articulate about the effects of such developments on their institutions. To shirk this responsibility will mean that those with much less understanding and appreciation for the academy's role in society will decide the fate of higher education. Trustees fulfill their responsibilities to the public when they are effective advocates for their institutions. If trustees are not advocates for the academy's needs, who will be?

In sum, the nation needs its most able and influential citizens to serve on the boards of independent higher education—men and women who understand how to address the complex financial, political, and social issues that find their way into the boardrooms of academic institutions.

And so, AGB welcomes you to one of the most potentially rewarding, intellectually stimulating, and consequential volunteer responsibilities you could accept. And we encourage you and your board to take advantage of AGB's programs, services, and publications along the way.

Appendix A

Statement of Board Member Responsibilities

Many boards have adopted statements of trustee responsibilities, which are their own definitions of stewardship, to serve multiple purposes. Statements of trustee responsibility clarify expectations for prospective board members (before they accept nomination) and provide criteria by which incumbents eligible for re-election can be assessed. The following example appears in *Governing Independent Colleges and Universities: A Handbook for Trustees, Chief Executives, and Other Campus Leaders*, by Richard T. Ingram and Associates, 1993:

We, the members of the board of trustees [*name of institution*] recognize that one of our responsibilities is to select our successors. These guidelines serve to clarify what is expected of those invited to join us in serving the university [*college, school, or seminary*] and the public trust we hold both individually and collectively.

We, each and every one, pledge:

Our Commitment by

1. Faithfully and consistently participating in board and committee meetings, other board functions, and as many campus events as possible. The institution asks for a small percentage of our time, and although it is a large gift, given the many other demands on us, our university needs all of it.
2. Preparing for meetings by reading the agenda and supporting material, and participating in those meetings by sharing our experiences and skills and asking good questions. The chief executive and staff do their best to engage us in matters affecting the course of the university, and our responsibility is to make the best use of limited meeting time to make the best possible decisions.
3. Contributing to the annual fund and to capital campaigns to the very best of our ability. If we do not see the value of our university and help to meet its financial needs, why should anyone else?
4. Serving the university as a whole, rather than representing the interests of any constituency, according

to our individual judgment and conscience.

5. Helping to open doors on behalf of the university to secure the financial, human, and political resources necessary for the institution to accomplish its mission and purposes successfully.
6. Taking advantage of opportunities to say something good about the university to the various groups with whom we have influence. While we contribute much to the university, it also contributes to our personal growth; we are here to learn but also to teach the outside world enthusiastically about our institution.
7. Accepting leadership positions and other special assignments when asked. Our board is committed to periodically rotating leadership and asks that we each take our turn when it comes. Our work on behalf of the university between committee and board meetings can make an enormous difference.

Our Best Effort to Protect the Integrity of the University and the Board by

8. Avoiding situations that could cause even the appearance of a conflict of interest beyond those that may have been known to exist at the time of election to the board. It is binding on each of us that we make full disclosure of potentially problematic relationships, especially those that involve direct or indirect receipt of university funds. And we accept the possibility that disclosure alone may not be, in the judgment of the board, an adequate response.
9. Maintaining confidentiality of the executive sessions of the board that may involve sensitive personnel or other matters.
10. Speaking for the board or the institution only when authorized to do so by the board. Speaking for the board is the president's and board chair's responsibility.
11. Refraining from asking for special favors of the president or staff. The president reports to the board as a whole, and the staff to the president.

And Our Active Participation by

12. Keeping ourselves informed about the university and trends and issues in higher education that can affect its future.
13. Asking timely and substantive questions, without hesitation, based on our concerns, convictions, and conscience, while supporting the majority decision on issues that finally are reached by the board.
14. Avoiding judgments on the basis of information received from individuals or groups with real or perceived grievance. Substantive information should be referred to the president and/or board chair.
15. Asking for data and information through committee and board meeting work that help the board to address long-term strategies. The service of the university to future generations is being shaped on our watch.
16. Recognizing that it is the board as a corporate body that approves university policies and monitors their implementation. The responsibility of the administration is to manage day-to-day business. As individual trustees, we have no special prerogatives except when we convene as a corporate body.
17. Respecting the presidency and publicly supporting the president.
18. Being a good listener and bringing a sense of humor to our deliberations, along with having the determination to say and do what is best for the university in the long haul.

Appendix B

Suggested Resources

AGB provides a variety of pamphlets, monographs, and books on most of the topics and issues addressed in this publication. It publishes a *Trustee Resource Guide* each year that is available on request (1-800-356-6317). A few of the most helpful resources AGB distributes for trustees of independent institutions are cited here.

Board and Trustee Responsibilities

Governing Independent Colleges and Universities: A Handbook for Trustees, Chief Executives, and Other Campus Leaders, by Richard T. Ingram and Associates, 1993. Its 20 chapters and 479 pages address all aspects of academic trusteeship and include a separate section of helpful reference data and information with which to compare many of your board's characteristics, policies, and practices. (Published by Jossey-Bass Publishers and AGB.)

The Effective Board of Trustees, by Richard P. Chait, Thomas P. Holland, and Barbara E. Taylor, 1991. Interviews with more than 100 trustees and presidents from 22 private colleges and universities enable the authors to cite six distinct but related skills that characterize effective boards. (Published by ACE/Oryx.)

Financial Responsibilities

Financial Responsibilities of Governing Boards, 1989. This 114-page guide demystifies college and university finances will helpful illustrations and understandable explanations of basic accounting concepts. It suggests ways to improve financial-report formats. (Published by AGB and the National Association of College and University Business Officers.)

Fund-Raising

Fund-Raising Leadership: A Guide for College and University Boards, by John W. Pocock, 1989. This 151-page guide is a classic for all trustees committed to help raise money. Based on a national study of trustee participation in fund-raising practices, and written and edited by a trustee who set his own personal example as a trustee of

his alma mater, it is an inspirational and practical resource on the subject.

Trustee Orientation

The Fundamentals of Trusteeship is a basic "tool kit" for trustees of independent higher education institutions. The package consists of a videotape, audiotape, and leader's guide to help design a comprehensive orientation program.

The External Environment

Trustees & Troubled Times in Higher Education, by the AGB Higher Education Issues Panel, 1992. This 32-page report discusses emerging social, political, economic, and demographic trends likely to affect higher education in the next 25 years. It cites six questions that will affect the strategic course of academic institutions, with implications for the responsibilities of governing boards and chief executives. This paper has been widely read and quoted in higher education.

The Academic Presidency

Presidents Make a Difference, by the Commission on Strengthening Presidential Leadership, chaired by Clark Kerr, 1984. This 161-page report offers specific recommendations to strengthen the leadership of academic chief executives and board-president relationships.

The Many Lives of Academic Presidents, by Clark Kerr and Marian Gade, 1986. A sequel to *Presidents Make a Difference*, this volume reveals the intimate nature of the presidency and how the men and women in the position cope with conflict from all sources. It presents a wealth of information, anecdotes, and advice based on nearly three years of interviews with presidents, chancellors, and trustees.

Public Roles, Private Lives: The Representational Role of College and University Presidents, by Roberta H. Ostar, 1991. This 71-page report focuses on the sometimes forgotten and unappreciated responsibilities of chief executives that extend to their spouses and families. It recommends a variety of possible responses by governing boards.

Presidential Search: A Guide to the Process of Selecting and Appointing College and University Presidents, by Charles B. Neff and Barbara Leondar, 1992. The bible in its field, this 136-page book covers all aspects of the search process

and should be read by everyone connected with it. Its principles are easily adapted to a wide variety of institutional settings and circumstances.

Academic Tenure

"The Future of Academic Tenure," by Richard P. Chait, in *Priorities*, Spring 1995. This essay explores facts and fallacies of tenure, emergent trends, and forecasts for the future.

Conflict of Interest and Disclosure

"A Guide to Conflict of Interest and Disclosure Issues," AGB Pocket Publication No. 19, 1989. Matters of potential conflict almost always involve caveats; only individual boards can address and resolve the circumstances of specific, unique cases. This booklet contains guidelines and sample policy and disclosure forms.

Appendix C

AGB Programs and Services

The association offers a variety of custom-designed programs and services. In addition to the annual AGB National Conference on Trusteeship each spring, it hosts workshops, seminars, and institutes for board chairs and presidents around the country. These special programs and services are described in the "AGB Guide to On-Campus Programs," which is available to members on request (1-800/356-6317) and are briefly described here.

Board Education Services: A flexible, individually tailored program can vary from a few hours to two days as part of regularly scheduled meetings or separate board retreats. Topics and formats will vary to meet member requirements.

Board-Mentor Workshop: Established in 1977, this popular and successful program has been conducted at more than 500 member institutions. It helps member boards and chief executives to clarify the board's responsibilities, review the board's perceptions of its effectiveness with the help of a written survey of its members, and strengthen board-chief executive relationships. AGB requires a commitment of at least eight hours of meeting time, preferably split been two successive days in a retreat-like setting.

Fund-Raising Workshop: With the help of a survey of trustees prior to the event, this program is designed to strengthen the board's commitment to fund-raising. At least six hours of meeting time is required.

Presidential Search Workshop: For member boards or their search committees, this six-to-eight hour program is designed to cover all aspects of planning a successful search process. Whether or not the services of an executive search firm will be used, this program will highlight the various strategies that have proved successful at institutions with similar missions and characteristics.

Presidential and Board Assessment Service: Based on the conviction that presidential and board effectiveness are intimately linked, and AGB's long experience with board assessment through its Board-Mentor Workshops, this service enables member boards and chief executives to design an appropriate and comprehensive process that

respects the integrity of all parties. A team of two individuals, usually a former chief executive and a trustee, then conduct a series of interviews with appropriate individuals and prepare a written (or oral) report with recommendations for the board and chief executive.

Academic Restructuring Roundtable: This service brings to governing boards the successful experience of the Pew Higher Education Roundtable. Trustees, the chief executive, key administrators, and others participate in a facilitated roundtable on issues of academic restructuring to ensure the best possible strategic position for the institution or system.

Appendix D

About the Association of Governing Boards of Universities and Colleges

The Association of Governing Boards of Universities and Colleges was founded in 1921 as the Association of State Universities and Allied Institutions. AGB's membership initially was open only to boards of public institutions. It was a largely fraternal affiliation of board members who took turns providing voluntary leadership.

In the 1960s, several important changes took place in the association. AGB was incorporated and moved its headquarters from Colorado to Washington, D.C.; the first salaried staff were appointed; independent institutions and public community colleges were admitted to membership; and the association shifted its focus from an organization of trustees toward an organization for trustees. College and university presidents and chancellors were considered members along with their boards.

AGB's development as an educational resource for boards and their members gathered momentum in the 1970s with a landmark grant from the Lilly Endowment. The grant enabled AGB to establish a Board-Mentor program; to conduct studies on the board's role in such areas as finance, budgeting, and fund-raising; and to conduct the first survey of the composition and characteristics of governing boards. AGB also added several new programs and services.

Special initiatives of the 1980s included institutes for board chairs and presidents and the National Center for Nonprofit Boards—now an independent organization for nonprofit boards outside higher education. In addition to a bimonthly magazine and a bimonthly newsletter, AGB's other publications and resources grew to more than 100 titles. The association also was instrumental in helping to create a new liability insurance facility, United Educators Insurance Risk Retention Group, Inc., a mutual insurance company now with more than $35 million in annual premium volume.

The 1990s began with a major strategic-planning process involving board, staff, and several hundred members. Their work resulted in a multiyear plan for AGB's growth and development. Important initiatives

included the AGB Higher Education Issues Panel, which published the influential *Trustees & Troubled Times in Higher Education;* programs to strengthen the selection of trustees for public institutions; the Robert L. Gale Fund for the Study of Trusteeship; and cooperative efforts with other organizations to ensure integrity in intercollegiate athletics.

AGB also established as high priorities the need to help members think and act more strategically and to be more aware of significant public-policy issues.

In the 1990s, AGB also launched *Trusteeship* magazine; a three-year strategic-policy initiative funded by the Robert W. Woodruff Foundation that involves research, special symposia, and a publication, *Priorities*, on key emerging strategic issues; programming designed to meet the specific needs of AGB members in the public and private sectors of higher education; and several new on-campus services, including a Board and Presidential Assessment Service and a Presidential Search Workshop Service.

To fund many of its programs, AGB receives philanthropic support from leading U.S. foundations, corporations, and individuals.

Association of Governing Boards of Universities and Colleges

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